

**CASTLE BEACH CLUB CONDOMINIUM ASSOCIATION, INC**  
**BOARD OF DIRECTORS MEETING**

**Tuesday, February 7, 2006**

**7:00 PM**

**Board Member(s) Present:**

Mr. Juan Carlos Gonzalez-President, Sergio Purrinos-Vice-President, Margarita Suarez-Rivas-Secretary – Robert Berman-Treasurer.

**Also Present Representing Miami Management, Inc.**

Tati Robertson-Property Manager

**Also Represented at the Meeting:**

Lourdes Sanchez-Legal Assistant

**Meeting Called to Order:**

The meeting was called to order at 7:28 pm

The meeting was held at the Carriage House, next door to the Castle at 53<sup>rd</sup> and Collins Ave (Thanks to the Board of the Carriage House and Tati from Miami Mgt. who arranged for us to meet there).

**Approval of Minutes**

The Minutes of 12/27/05 were approved with the following correction;

The minutes currently state that the Special Assessment would only be used for the repairs of the building. That was changed to say that the Special Assessment would be used for; the repairs of the building , the deficit coverage from our insurance policy which involves a 1.2 million dollar deductible and a \$750,000.00 deficit that we have carried over from the Receivership. The bill that we have from the receiver, Robert Stone and his accounting firm was over \$250,000.00. The Receiver's attorney Helio De La Torre also has billed us a couple of hundred thousand dollars. The Engineering firm, Pistorino & Co. billed us \$169,000.00.

**OLD BUSINESS:**

The Board decided that they were going to form a Financial and Construction Committee. Miami Mgt. sent a notice with the Special Assessment that anyone interested in joining the Financial Committee or the Construction Committee should send Tati an e-mail with their qualifications. Six names were submitted for the Construction Committee and three for the Financial Committee. The Special Advisory Committee which consists of Rocio Sullivan, Mike Mendez and Caridad Amores are in charge of preparing a mission statement for the committees and what their goals are. They will also make recommendations to the Board for who should be selected to the committees. The Board will approve all members at the next meeting in March . The function of both Committees will be to work with Buchanan Services who is the General Contractor and Frank who is the Public Adjuster. Robert Berman indicated that there is no need for a motion to approve the creation of the 2 committees just the composition of the committees since the Board already approved them at the last meeting.

## **NEW BUSINESS**

We have a new web site. Instructions were given out on how to use it. Tati arranged for us to use the existing Miami Beach web-site which they had set up for us. Here are the instructions to access it;

1. Go to "miamibeachfl.gov."
2. Click on Miami Beach
3. Go to the left column click on "Resident."
4. Under that column click on "Castle Beach."

All the news and updates will be posted there. Robert Berman is the one that takes care of giving the information to the City.

## **Renovation Progress**

The construction report prepared by Buchanan contains a lot of information. The scope of renovation was completed on 1/31/06. Part of the cost of the renovation will be covered by the insurance claim from Hurricane Wilma. Whatever is not covered by the insurance claim will have to be paid for by the Association. At present the exact cost of how much the Association is going to have to pay for life safety issues and the 40 year re-certification of the building has not been determined. The insurance company has completed the assessment and evaluation of the building. They hired their own engineering firm and are reviewing the claim submitted by our Public Adjuster. At present the insurance co. has approved doing the roof over the theater. That should get started at the end of next week or the following week. They are in the process of wiring 1 million dollars in reserves so that we can get started on the roof. We hope to also begin the decontamination of the building from all the moisture that entered the building during and after the hurricane.

The work permit has been presented to the City and approved for the main roof. The permit for the temporary roof has been approved. The temporary roof repairs were done in order to keep the building as dry as possible. There are also demolition permits that have to be approved by the City. The City also has a copy of the asbestos report which is quite lengthy. The City required this report before they would approve any more permits.

Engineers were hired for each of the sub categories and are preparing plans for bid. Moisture testing for the roof, uplifts and walls have been completed. JW and Associates are the structural engineers. Buchanan PE Consultants, not related to Buchanan Services our General Contractor, are presently working on the drawings and everything that needs to be done in order to pull permits for the electrical, plumbing & mechanical engineering.

That Chief engineering firm will also complete a scope of work for all the life safety issues and everything else that has to be done in the building besides the insurance work. Buchanan Services will then have to determine how much it will cost for the rest of the renovation not covered by insurance.

An industrial hygienist has been hired by Buchanan Services to assist with the asbestos and de-contamination reports. The report will then have to be approved by the City along with the permit for demolition.

A company was hired to pressure clean the building which should be covered by the insurance co. They will patch up all the stucco that needs to be repaired. The painting of the exterior of the building will not be covered by the insurance co. but when we proceed with that we will be getting three bids. Of course the construction committee will be taking care of some of these issues and they will make recommendations as to what time frame and what color the building should be painted. We would not like to paint prematurely and then have to touch up from damage from ongoing work.

## **Legal Issues**

Our Attorney is reviewing the bills from Helio De La Torre, Robert Stone, and John Pistornio and he may challenge those bills.

We feel that:

1. The Receiver did not do anything for us except charge us. He never got a loan for us. He did not open the building for us. He was here for seven months and as far as the Association is concerned nothing was accomplished.
2. We had an attorney that billed us for services he provided for the receiver. Until a month before the new election he was not aware that he that he was also the attorney for the Association. He never really represented us.
3. Mr. Pistornio did a lot of work that was not necessary and was not ordered by the court and exposed the owners of the building unnecessarily to violations. In addition he ordered "shoring" placed in the garage that was costly and unnecessary.

Mr. Ganguzza suggested that we hire a forensic accountant to look at all the billing from Mr. Stone's accounting firm and his attorney. He also recommended that we hire an attorney to represent us who specializes in cases involving Receivers. A motion for the board to go ahead and approve the hiring of the forensic account and the lawyer in order to challenge the receiver's bill was approved unanimously. The amounts were \$5,000 for the forensic accountant and \$3,500 for Mr. Alan Postman who would be the attorney.

Another motion was made to go ahead with the hiring of another Attorney, Chip George, who will be analyzing our insurance policies for possible claims we can make due to the actions of the prior Board. The motion was passed unanimously.

## **Financial Issues**

The Board is working on a budget for 2006 along with Miami Management, based on the building being closed for part of 2006 and opened for part of the year. You will receive a notice shortly from Miami Management for a budget meeting to be held on 3/28/06. The owners will have to approve the budget for 2006.

Robert Berman indicated that we need an end of year audit. There were 3 proposals; one of them is our present Auditor Gerstle and Rosen which the previous board had signed a contract with and actually were in their third year of the contract. They proposed to do an audit for \$4,800 dollars for 2006. He obtained two more proposals to see whether in fact Gerstle and Rosen's charges were competitive and whether we should make a change. The 2<sup>nd</sup> auditor came in at 10,000 - 12,000 and the 3<sup>rd</sup> auditor proposal came in at \$12,000- \$20,000. Since the building was being handled by Miami Management and Stone was the receiver and was overseeing the bookkeeping he recommended going with Gerstle and Rosen for this year. The motion to proceed with the audit was approved unanimously.

## **General Discussion**

Meeting was adjourned at 9:50pm

